

**WORK SESSION
OF THE BRIGHAM CITY COUNCIL
TO DISCUSS STORM DRAIN IMPROVEMENTS AND FUNDING
OCTOBER 6, 2005
5:43 P.M.**

PRESENT:	Lou Ann Christensen	Mayor
	Jon Adams	Councilmember
	Reese Jensen	Councilmember
	Bob Marabella	Councilmember
ALSO PRESENT:	Dennis Sheffield	Director of Finance
	Don Tingey	City Administrator
	Bruce Leonard	Director of Public Works
	Darin McFarland	Superintendent of Streets
	Mary Kate Christensen	City Recorder
	Bret Jones	City Engineer
	Kent Jones	City Engineer
EXCUSED:	Holly Bell	Councilmember
	Alden Farr	Councilmember

Mayor Christensen called the meeting to order and asked Bret Jones, Kent Jones, Bruce Leonard and Darin McFarland to the table.

Mr. Bret Jones explained that the estimated annual revenue from storm water utility fees and impact fees is \$868,000. The total estimated operating cost is \$219,000. There is an estimated contingency fund of \$149,000. This includes improvements other than capital projects.

Councilmember Jensen asked what is driving this. Mr. Kent Jones said general improvements to the system. Some of the improvements relate to the City's illegal discharge into the irrigation system. The objective since 1994 has been to strip these out and have an independent system. In addition, they are trying to improve all the intersections. Councilmember Adams added that the ditches were not designed to take the storm drain. They were designed to convey the irrigation water. Councilmember Marabella said this hasn't changed in the last 100 years. The mountains haven't changed, the amount of rainfall hasn't changed, massive amounts of homes have not been built. Mr. McFarland explained that the point of collection has changed. Rather than the water being spread out on farm ground, it gets co-mingled and put into one point. Councilmember Marabella said he understands that, but suggested the City continue to construct one new detention pond every year or every other year. If the City adds one detention pond/park similar to the Mary E. Christensen park once every five years we are better off than we were 30 years ago. Mr. Kent Jones said there is a liability concern when storm water and irrigation water are co-mingled. Councilmember Adams explained that the City is responsible for the storm water run-off. If the storm water runs into an irrigation ditch and then floods a field, the City's liability now includes not only the collected storm water but the area that has been flooded. Councilmember Marabella said the irrigation companies do that all the time and they do not have any liability. Councilmember Adams agreed, adding that now the City has a shared liability with the irrigation companies. Instead of it being their liability, it is now the City's. Mr. Kent Jones added that when irrigation systems are flowing like this, and then there is a storm on top of it, it doubles the flooding situation. Mr. Leonard explained that in some intersections, when there is a storm of any magnitude it floods the intersections, which creates a safety hazard. In addition, it backs the water up almost to the front door of the homes. The intersections already have curb and gutter, but they plan to put piping system underground and install more inlets.

Mr. Bret Jones said they estimate the top ten projects will cost \$4.3 million. This assumes an inflation rate of 5.4%, and an interest rate of 4.25% for a 20-year bond and 3.87% for a 12-year bond. This figure also assumes a minimum contingency fund reserve of \$149,000/year.

Mr. Bret Jones said the first option is to pay as you go. The real advantage of this is the City would not accrue any debt. The disadvantages would be the City would not be able to complete the ten projects until 2020. The other disadvantage is that the City would pay an additional \$2,354,207 in construction costs for waiting, based on inflation.

Option #2 is a 20-year bond. The main advantage for a 20-year bond is that in addition to the \$149,000 contingency fund, there would be an additional \$163,000 per year to do miscellaneous projects because the City's payment would be less. Another advantage is that the projects would be completed in 2006. The big disadvantage is that the City would pay \$2.2 million in interest.

Option #3 is a 12-year bond. The advantage is that the bond would be paid off in 12 years and the projects would be completed as soon as they are designed. The disadvantage is that the City would pay \$1,059,654, which is actually less than the \$2.3 million that would be paid in construction costs to wait, or the \$2.2 million interest for a 20-year bond. The biggest disadvantage to this option is that there would only be \$6,000 additional yearly contingency.

Mr. Kent Jones stated that the option that is most cost effective is Option #3, or a 12-year bond for the top ten projects, and pay for the other smaller projects as the contingency fund allows.

Councilmember Adams said none of these options take into account the \$600,000 the City already owes. The City will need to continue to pay this, or add it to the bond. Mr. Sheffield suggested it be added to the bond.

Councilmember Adams said there is a fourth option. He suggested looking at the top four projects, which are Main Street, SR-13, 1500 North, and the northwest region. This would total \$2.7 million. If the City bonded for this for 12 years, this would reduce the City's payment. This would increase the contingency fund by approximately \$300,000 per year. The contingency money could be used the first year to do the next three projects. The second year, do the project amounting to \$345,000, and the last year do the last \$300,000 worth of projects. With this option, seven of the projects would be done in 2006. The next project could be done in 2007, in 2008 all the projects would be done, and all the contingency money would be available. He said with the lower amount, it could even be a 10-year bond, which would be less interest.

Mr. McFarland said it is difficult to prioritize the projects because the City has three projects that are all affected by projects 5, 6, 7 and 8: The Old Grist Mill, Greener Pastures, and Bear River Health. They are all tied into a substandard storm drain. Councilmember Adams said if the first four projects are paid for through a bond, the next three projects would be paid for with the contingency fund. That only leaves project #8. Projects 5, 6 and 7 would be done at the same time as the first four. Mr. Kent Jones added that the first six projects would at least get the drain to 1100 South.

MOTION: Councilmember Adams made a motion to have staff look into a revenue bond for the first four projects, and get the pay back for 10- and 12-year bonds with and without the \$600,000. The motion was seconded by Councilmember Marabella and unanimously carried.

Mayor Christensen called for a roll call vote to adjourn to an Executive Session. All councilmembers voted aye. The meeting adjourned to an Executive Session at 6:34 p.m.